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# Program Memorandum Intermediaries/Carriers

Department of Health and  
Human Services (DHHS)  
HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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Transmittal AB-01-03

Date: JANUARY 12, 2001

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## CHANGE REQUEST 1488

**SUBJECT: April Quarterly Update for 2001 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule**

This Program Memorandum (PM) provides specific instructions regarding the April quarterly update for the 2001 DMEPOS fee schedule. You must submit the base year fee amounts for the April 2001 quarterly update to central office by January 29, 2001. The April 2001 DMEPOS fee schedule file will be made available to carriers and intermediaries by February 12, 2001. The file names are:

Carriers - MU00.@BF12393.DMEPOS01.V0212

Intermediaries - MU00.@BF12393.DMEPOS01.QTR2.V0212.FIRHHI

Durable Medical Equipment Regional Carriers (DMERCs) are to gap-fill base fee schedule amounts for Health Care Financing Administration Common Procedure Coding System (HCPCS) codes E0617, E0740, E0765, and K0550 in accordance with instructions located in '5102.2 of the Medicare Carriers Manual. Codes E0617 and K0550 are located in the payment category for capped rental items. Codes E0740 and E0765 are located in the payment category for inexpensive or routinely purchased items. In addition, HCPCS code E0760 was recently moved from the payment category for capped rental items to the payment category for inexpensive or routinely purchased items. DMERCs should submit revised base fees for code E0760 to reflect this change in payment category. The base fees submitted to central office are not to be updated by any covered item update factors other than the 1.7 percent (1989) update factor for base fees for DME. Update factors that are applicable subsequent to 1989 will be added by central office as part of the fee schedule calculation process.

*The effective date for this PM is April 1, 2001, for claims with dates of service on or after January 1, 2001.*

*The implementation date for this PM is April 1, 2001.*

**Any questions regarding these instructions should be directed to Joel Kaiser on (410) 786-4499. Questions regarding the transmission of the file, the file layout, and submission of base fees to central office should be directed to Mary Anne Stevenson on (410) 786-1818.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded January 1, 2002.**